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The Relief Sought in the follow
order is DENIED. Signed
September 24, 2017

Attorneys for Debtors
Michael Howard Lilligh and
Stefanie Judith Lilligh


Roger L. Efremsky
U.S. Bankruptcy Judge

*** See below for reason

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION

IN RE MICHAEL HOWARD LILLIGH AND) Case No.: 12-48816-RLE13
STEFANIE JUDITH LILLIGH,) CHAPTER 13
Debtors.) ORDER VALUING CERTAIN PERSONAL
PROPERTY COLLATERAL OF THE
INTERNAL REVENUE SERVICE UNDER
§ 506 AND FRBP 3012

On September 1, 2017, the Debtors filed a motion to value the personal property collateral listed on the Schedule B filed in this case of the Internal Revenue Service (hereinafter Lienholder) under § 506 and FRBP 3012 except for the Debtors' interest in their 401k plan. The collateral secures a tax lien against the personal property of the Debtors.

1 The court finds that notice of the motion upon Lienholder was proper. Lienholder having failed to
2 file timely opposition to the debtor's motion, the court hereby orders as follows.

3
4 For purposes of the debtor's chapter 13 plan only, the personal property collateral listed on the
5 Debtors' schedule B, not including the Debtors' interest in their 401k plan, is valued at \$23,870,
6 the Lien is valued at \$23,870, the Internal Revenue Service only has a secured claim in this
7 property in the amount of \$23,870, and the Lien may not be enforced for an amount above \$23,870,
8 pursuant to 11 U.S.C. [§§ 506, 1123(b)(5) and 1141 / §§ 506, 1322 (b)(2) and 1327].

9
10 This order shall become part of the debtor's confirmed chapter 13 plan.

11
12 Upon payment of the secured claim and entry of a discharge or completion of plan payments in
13 the debtor's chapter 13 case, the Lien shall be void and unenforceable for all purposes, and upon
14 application by the debtor, the court will enter an appropriate form of Final Order on Motion to
15 Value Collateral.

16
17 If the debtor's chapter 13 case is dismissed or converted to one under another chapter before the
18 debtor obtains a discharge or completes plan payments, this order shall cease to be effective and
19 the Lien shall be retained to the extent recognized by applicable nonbankruptcy law, and upon
20 application by the lienholder, the court will enter an appropriate form of order restoring the Lien.
21 Except as provided by separate, subsequent order of this court, the Lien may not be enforced so
22 long as this order remains in effect.

23
24 **END OF ORDER**

25 *** The motion seeks to value the property under 11 U.S.C. section 506(a). By its plain
26 language, section 506(a) can only be used to value "the estate's interest in [the] property."
27 Here, the plan that was confirmed in 2012 provided that the property reverted with Debtors
28 upon confirmation. Thus, the property is no longer "property of the estate." See *In re Jones*,
657 F.3d 921 (9th Cir. 2011). As a result, the property can not currently be valued under
section 506(a).

COURT SERVICE LIST

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